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Governor

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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
C0070020  
&

April 8, 2010

Kit Pappas, Manager of Environmental and Engineering  
Hidden Splendor Resources Inc.  
3266 South 125 West  
Price, Utah 84501

Subject: 2009 Annual Report Review, Horizon Mine, C/007/0020, Task ID #3516, Outgoing File

Dear Mr. Pappas:

The Division staff has completed the 2009 Annual Report Review. Enclosed is a copy of the review for Horizon Mine, C/007/0020 completed on April 7, 2010.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock  
Permit Supervisor

sqs  
Enclosure  
O:\007020.HZN\FINAL\reviewletter.doc



This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

## GENERAL INFORMATION

Permittee Name	Hidden Splendor Resources Inc.
Mine Name	Horizon Mine
Operator Name (If other then permittee)	American West Resources, Inc.
Permit Expiration Date	October 11, 2011
Permit Number	C/007/0020
Authorized Representative Title	Kit Pappas-Manager of Environmental and Engineering
Phone Number	Office 435-636-0820
Fax Number	801-521-3301
E-mail Address	kit@emerytelcom.net
Mailing Address	3266 South 125 West, Price, Utah 84501
Designated Representative	Kit Pappas
Resident Agent	Same as above
Resident Agent Mailing Address	Same as Above
Number of Binders Submitted	2

Operator, please update any incorrect information.

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-02074	Horizon No. 1 Mine	N/A
	42-02075	Horizon No. 2 Mine (not started)	N/A
MSHA Impoundment(s)			
NPDES/UPDES Permit(s)	UTG040000-001	Sediment Pond 001	4/30/2013
	UTG040000-002	Mine Discharge (pipe)	4/30/2013
PSD Permit(s) (Air)	DAQE-700-0	Modification of Approval Order BAQE-700-0	N/A
<b>Other</b>			
UDOGM	X/007/0044	Columbia Well Exploration Permit	N/A

Operator, please update any incorrect information.

### CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:

Inspector:

Has the operator complied with this section? Yes ☒ No ☐

Inspector Comments: The operator has included the following reports:

First quarter 2009 sediment pond inspection report (02/17/2009).

Second quarter 2009 and annual P.E. certified sediment pond inspection report (06/30/2009).

Third quarter 2009 sediment pond inspection report (09/30/2009).

Fourth quarter 2009 sediment pond inspection report (11/12/2009).

### COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200
Biology R645-301-300

**Title: CULTURAL RESOURCES**

**Objective:** If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required.

**Frequency:** The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

**Status:** Ongoing.

**Reports:** Annual.

**Citation:** Permit condition Sec. 16.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No new information was submitted as part of the 2009 annual report.

**Title: MACROINVERTEBRATE SURVEY**

**Objective:** Macroinvertebrate surveys of Gordon Creek .2 miles above the confluence of Jewkes Creek and the North fork of Gordon Creek .1 of a mile below the confluence of those streams to monitor potential impacts from mining activities.

**Frequency:** Every other year.

**Status:** Ongoing

**Reports:** Annual.

**Citation:** Volume 3, chapter 10 section 10.2.3, page 10-4, paragraph 5.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No new information was submitted as part of the 2009 annual report.

**Title: RAPTOR SURVEY**

**Objective:** An active raptor nest will be verified prior to full pillar extraction being completed within 500 feet of the nest. If the nest is still active full pillar mining will leave a 200-foot barrier around the nest location. If the nest is inactive, a barrier of 100 feet will be left around the nest location. Mitigation of nests either active or inactive lost do to impacts from mining will be replaced under the guidelines and assistance from DWR.

**Frequency:** Annually.

**Status:** Ongoing for the life of the mine.

**Reports:** Annual Report.

**Citation:** Volume 3, chapter 10 section 10.5.1.2, pages 10-39 and 40, paragraphs 9 and 1.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No new information was submitted as part of the 2009 annual report.

**Title: STREAM BUFFER ZONE PROTECTION**

**Objective:** HSR commits to develop a protection and enhancement plan with DWR and DOGM prior to any secondary or retreat mining under Beaver Creek

**Frequency:** When second mining under streams occurs.

**Status:** Check to see if plan has been developed.

**Reports:** Inspector should check to see if second mining has occurred under streams, annually.

**Citation:** status Volume 3, chapter 10 section 10.7, page 10-40, paragraph 5.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No new information was submitted as part of the 2009 annual report.

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

**Title: SUBSIDENCE CONTROL AND MONITORING**

**Objective:** Pedestrian Survey to be conducted no sooner than 6 months but no later than 12 months after an area has been subsided.

**Frequency:** Annually.

**Status:** One going.

**Reports:** Annual Report.

**Citation:** 3.4.8.5

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment;

**Operator Comments:** Pedestrian survey in July 2009 revealed no cracks, fractures, slumps or other abnormalities. No second mining was conducted in 2009.

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No report submitted as part of the 2009 annual report, just the reference above. Reviewed section 3.4.8.5 of the mining and reclamation plan (MRP). The MRP does not specify that a report be submitted.

Geology R645-301-600

Hydrology R645-301-700

**Title: COLLECTING AND REPORTING OF BASELINE DATA**

**Objective:** Compare Baseline Data Parameters.

**Frequency:** Every 5 years during low flow season of the year.

**Status:** Ongoing until Division releases from commitment.

**Reports:** Summary in Annual Report during monitoring year.

**Citation:** Chapter 7, page 7-34.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No new information was submitted as part of the 2009 annual report.

Bonding & Insurance R645-301-800

**Other Commitments**

\*Reminder: If equipment has been abandoned during 2009, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

## REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** Underground discharge pumping data and a big game road kill report are included in Appendix B, Reporting of Technical Data, of the 2009 annual report.

## LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included or Included	DOGM File location Vol, Chapter, Page	Comments
	Yes	No			
Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
<b>Other</b>					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

**Operator Comments:**

**Inspector:**

Has the operator complied fully with this section? Yes ☒ No ☐

**Inspector Comments:** No new information was submitted as part of the 2009 annual report.

**MINE MAPS**

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

**Map Number(s)****Map Title/ Description**

Annual subsidence map	HORIZON MINE PLAN WITH SUBSIDENCE POINTS		
Mine map			
Other maps		<b>Confidential</b>	
		Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

**Operator Comments:**

**Inspector:**



Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** A mine map that included 5 year projects of mining with subsidence points is included in the 2009 annual report. The map has been reviewed. The map is P.E. certified dated and stamped by a Utah P.E.

## OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

**Additional attachment to this report?**

**Yes** ☒

No ☐

## HORIZON WELL MONITORING.

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** Well monitoring information is included with the annual report. The included information was reviewed by the assigned Division Hydrologist and found to agree with the data which have been uploaded by the Operator to the Division's Water Database.

O:\AnnualReport\2009 Annual Reports\Active Mines\Horizon Mine C0070020.doc

**APPENDIX A**

**Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS**

**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

**CONTENTS**

**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

**APPENDIX D**

**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

**CONTENTS**